

NORTON ROSE FULBRIGHT US LLP  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Telephone: 212-318-3035  
Facsimile: 212-318-3400  
David A. Rosenzweig

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	§	
	§	Chapter 11
SEARS HOLDINGS CORPORATION., <i>et</i>	§	
<i>al.</i> ,	§	Case No. 18-23538 (RDD)
	§	
Debtors.	§	(Jointly Administered)
	§	
	§	

**RESERVATION OF RIGHTS OF LIVING SPACES FURNITURE, LLC**

Living Spaces Furniture, LLC (“LSF”) hereby files this reservation of rights with respect to its interest in property subject to the *Notice of Rejection of Certain Unexpired Leases of Nonresidential Real Property and Abandonment of Property in Connection Therewith*, at Dkt. No. 3449 (the “Rejection Notice”).

**RESERVATION OF RIGHTS**

1. SL-RH Arizona LLC (the “Master Landlord”) and debtor Sears, Roebuck and Company (the “Debtor”) are parties to a certain ground lease dated December 28, 1998 (as amended, renewed, or extended, the “Master Lease”), under which the Debtor leases premises (the “Premises”) located at 16275 N Scottsdale Road Scottsdale, Arizona from the Master Landlord.

2. LSF owns and operates retail furniture stores in California, Arizona, Nevada, and Texas, including at the Premises in Scottsdale, Arizona. In that connection, the Debtor and LSF are parties to a Sublease dated December 19, 2012 (as amended, renewed, or extended, the

“Sublease”), pursuant to which the Debtor subleases the Premises to LSF.

3. Further, the Debtor, LSF, and the Master Landlord are parties to a Recognition Agreement and Amendment of Lease dated December 19, 2012 (the “Recognition Agreement”), pursuant to which, among other things, the Master Landlord recognized LSF’s rights under the Sublease and further agreed to recognize LSF as the direct tenant or occupant under the Debtor’s Master Lease if the Master Lease was terminated, including any termination or rejection in a bankruptcy proceeding commenced by the Debtor.

4. On February 5, 2013, a Memorandum of Sublease and Recognition Agreement dated Decmebre 19, 2012, executed by LSF, the Debtor and the Master Landlord, was filed and recorded in the Official Records of the Maricopa County Recorder.

5. Upon information and belief, the Debtors identify the Premises as Store No. 61901.

6. On April 30, 2019, the Debtors filed the Rejection Notice.

7. The Rejection Notice lists Store No. 61901, the Premises and the Master Landlord and LSF as counterparties related to a lease and sublease, respectively. Dkt. No. 3449, at page 11, Store No. 61901.

8. LSF does not object to the Debtors’ Rejection Notice.

9. However, for the avoidance of doubt, LSF reserves all rights with respect to the Premises under the Recognition Agreement and applicable state law, including but not limited to, the right to be recognized as the direct tenant or occupant under the Master Lease following the Debtors’ rejection of either one or both of the Leases.

10. To the extent applicable, LSF further elects to retain all rights under the Sublease in accordance with Bankruptcy Code section 365(h)(1)(A)(ii).

Dated: New York, New York  
May 8, 2019

Respectfully submitted,

**NORTON ROSE FULBRIGHT US LLP**

By: /s/ David A. Rosenzweig  
David A. Rosenzweig  
1301 Avenue of the Americas  
New York, NY 10019-6022  
Telephone: 212-318-3035  
Facsimile: 212-318-3400  
State Bar No. 08390450

**ATTORNEY FOR LIVING SPACES  
FURNITURE, LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on May 8, 2019 through the Court's CM/ECF System on all parties registered to receive service through the Court's CM/ECF system.

/s/ David A. Rosenzweig  
David A. Rosenzweig